# NATIONAL DAIRY PRODUCTS CORPORATION

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## ANNUAL REPORT
## 1923

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# National Dairy Products Corporation

New York, N. Y., March 24, 1924.

TO THE STOCKHOLDERS:

I submit herewith first report of National Dairy Products Corporation since its incorporation, including Balance Sheet and combined Profit and Loss Account prepared by Messrs. Price, Waterhouse & Co., the Company's auditors. This report sets forth as at December 31, 1923 a Consolidated Balance Sheet of Rieck-McJunkin Dairy Company and subsidiary companies and Hydrox Corporation, giving effect as at that date to

(a) The completion of the organization of National Dairy Products Corporation, and

(b) The acquisition by the Company for 270,000 shares of its Capital Stock of the entire common stocks of Rieck-McJunkin Dairy Company and Hydrox Corporation.

All of the common stock of Rieck-McJunkin Dairy Company has been acquired by this Company and an offer of exchange has been made to the common stockholders of Hydrox Corporation, pursuant to which more than 92% of the common stock of Hydrox Corporation has already been acquired by the Company and it is expected that the remaining shares will be exchanged in the near future.

It will be noted from the Balance Sheet that the Company is in a splendid financial condition. Ample reserves have been set up for depreciation, slow and doubtful accounts, and all known liabilities, including estimated Federal taxes.

Particular attention is called to the combined Profit and Loss Account attached hereto which sets forth the results from operations of Hydrox Corporation for the full year ending December 31, 1923, but includes those of Rieck-McJunkin Dairy Co. and its subsidiaries for only the 9 months from April 1, 1923 to December 31, 1923. The fiscal year of your Company and that of Hydrox Corporation end December 31st. That of the Rieck-McJunkin Dairy Company heretofore ended on March 31st, but in order to have a uniform fiscal year for your Company and all of its subsidiaries, it was decided by the Board of Directors to close the fiscal year of the Rieck-McJunkin Dairy Company at December 31st.

The combined net sales for the period under review (12 months for Hydrox Corporation and 9 months for Rieck-McJunkin Dairy Co. and its subsidiaries) amounted to $13,568,668.83, which yielded a profit of $1,371,055.68, after all reserves and after deducting Federal taxes (estimated) and dividends paid on the preferred stock of subsidiaries. The Company's sales for January and February, 1924 have shown a good increase over the same two months of 1923. This larger volume of business, which is expected to continue, should result in a reduction of unit costs and a corresponding increase in net profits for the year. In this and other respects the outlook for 1924 is promising.

Several companies, which could well fit in with the general plan of development now in the minds of your Directors, have evidenced a desire to become associated with your Company. I trust these various inquiries may result in the acquisition by your Company of other desirable and profitable units during the course of the year.

Since the organization of the National Dairy Products Corporation, the constituent companies have put into effect an employee stock subscription plan under which employees were enabled to subscribe for Capital Stock of National Dairy Products Corporation upon favorable terms. The plan received the enthusiastic support of the employees and a large percentage of them are now stockholders of National Dairy Products Corporation.

On March 6, 1924, the initial quarterly dividend of seventy-five cents per share was declared on the Capital Stock of your Company.

Respectfully submitted

By order of the Board of Directors,

EDWARD E. RIECK,
Chairman of the Board.

# National Dairy Pro

RIECK-McJUNKIN DAIRY COMPANY AND SUBSID

## CONSOLIDATED BALANCE SHEET

Giving effect as at that date to (a) the completion of the organization of the Company and common stocks of the Rieck-McJunkin Dairy Company and the Hydrox Corporation,

### Assets

| | | |
|---|---|---|
| **Current Assets:** | | |
| Inventories at cost or market, whichever is lower | $ 331,823.08 | |
| Notes and accounts receivable, less reserve | 1,101,721.68 | |
| Cash surrender value of life insurance policies | 114,047.00 | |
| United States Liberty Loan bonds, at cost | 98,159.38 | |
| Cash in banks and on hand | 976,565.72 | |
| | | $ 2,622,316.86 |
| **Investments and Advances:** | | |
| Investments | $ 202,696.00 | |
| Advances | 296,411.39 | |
| | | 499,107.39 |
| **Sinking Fund:** | | |
| Cash deposited with Trustee, to retire first mortgage 6% bonds | | 10,000.00 |
| **Capital Assets:** | | |
| Land, buildings, machinery and equipment: | | |
| Properties appraised: | | |
| On the basis of appraisals in 1922 and 1923 at sound values together with subsequent additions at cost and less depreciation | $7,643,894.58 | |
| Properties of subsidiary companies not appraised: | | |
| On the basis of cost, less accrued depreciation | 344,925.11 | |
| | | 7,988,819.69 |
| **Deferred Charges:** | | |
| Unamortized discount, prepaid taxes, insurance and other expenses | $ 242,470.29 | |
| Miscellaneous supplies and repair parts | 234,244.86 | |
| | | 476,715.15 |
| **Goodwill, Trade Names and Other Intangible Values** | | 1.00 |
| | | $11,596,960.09 |

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ARY COMPANIES AND HYDROX CORPORATION.

**DECEMBER 31, 1923**

(b) the acquisition by the Company for 270,000 shares of its Capital Stock of the entire nd including the goodwill, trade names and similar intangibles at one dollar.

## Liabilities

| | | |
|---|---|---|
| **Current Liabilities:** | | |
| Notes payable | $ 51,686.85 | |
| Accounts payable including sundry accruals | 814,310.75 | |
| Dividends payable | 89,928.00 | |
| Provision for Federal taxes | 329,871.60 | |
| | | $ 1,285,797.20 |
| **Reserve for Contingencies** | | 191,890.28 |
| **Funded and Mortgage Debt:** | | |
| First mortgage 6% bonds of Hydrox Corporation, Due September 1, 1924 to 1928, at the rate of $30,000.00 per annum and the balance of $160,000.00 on March 1, 1929 | $ 310,000.00 | |
| Mortgage assumed on property purchased | 75,500.00 | |
| Real estate mortgage notes | 30,000.00 | |
| | | 415,500.00 |
| Note—$100,000 of 7½% serial gold notes of Hydrox Corporation due December 31, 1923, are offset by deposits with the Trustee of cash and notes of the same amount. | | |
| **Minority Stockholders' Interest in Capital and Surplus of Subsidiary Companies of Rieck - McJunkin Dairy Company** | | 80,814.82 |
| **Preferred Stocks of Subsidiary Companies:** | | |
| Rieck-McJunkin Dairy Company: | | |
| 8% Cumulative preferred— | | |
| Authorized: 350,000 shares of $10 each. | | |
| Issued: 312,170 shares of $10 each | $3,121,700.00 | |
| Held in treasury: 30 shares of $10 each | 300.00 | |
| | $3,121,400.00 | |
| Hydrox Corporation: | | |
| 7% Cumulative preferred— | | |
| Authorized: 20,000 shares of $100 each | | |
| Issued: 12,500 shares of $100 each | 1,250,000.00 | |
| | | 4,371,400.00 |
| **Capital and Initial Surplus:** | | |
| Authorized: 1,000,000 shares of capital stock of no par value. | | |
| Issued: 270,000 shares of capital stock of no par value | | 5,251,557.79 |
| | | $11,596,960.09 |

# National Dairy Products Corporation

## COMBINED STATEMENT OF PROFIT AND LOSS FOR YEAR 1923 OF THE RIECK-McJUNKIN DAIRY COMPANY AND SUBSIDIARY COMPANIES AND HYDROX CORPORATION

NOTE.—The figures for the Rieck-McJunkin Dairy Company included herein are for the nine months ending December 31, 1923, and for the Hydrox Corporation for the fiscal year ending on the same date.

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| | |
|---|---|
| Sales (net) | $13,568,668.83 |
| Cost of Sales including Delivery Expenses and depreciation | 10,668,325.37 |
| Gross Profit | $ 2,900,343.46 |
| Other income | 125,415.99 |
| Gross Profit and other Income | $ 3,025,759.45 |
| Deduct—Administrative, selling and general expenses and interest on funded and floating debt | 1,148,069.65 |
| Balance | $ 1,877,689.80 |
| Deduct—Proportion of net profits of subsidiary companies of Rieck-McJunkin Dairy Company applicable to minority stock holdings | 5,783.46 |
| Net profit before Federal taxes | $ 1,871,906.34 |
| Deduct—Federal taxes (estimated) | 231,562.50 |
| Net profit | $ 1,640,343.84 |
| Dividends on preferred stocks | 269,288.16 |
| Balance of profits | $ 1,371,055.68 |